

Chapter 1

The Houston Setting

Historical Background

A city is born when people decide to live, work and build together in one area. The nature of a city is determined by the characteristics of its people, the land on which they settle and the way they build their city, based on their history, culture and economy. To better understand the community in the course of planning for its future, this chapter explores details of Houston's population-including race and ethnicity, education and housing; its land use-including current patterns and changes since 1990; and its labor force characteristics, and the impact of economic conditions on development.

The Development of Houston

The Allen Brothers founded Houston, an original platting of only 147 acres at the confluence of Buffalo and White Oak Bayous, in 1836. From 1837 to 1839, Houston was prominent as the original capital of the Republic of Texas. When the capital was moved to Austin, Houston turned to trade for its lifeblood. In 1841, the Port of Houston was created, and by the middle of the century, the city had the first railroad in the region. By 1860, five lines served Houston with a total of 350 miles of track, making Houston the town "where the railroads meet the sea." Houston was fast becoming an important trade center; and by the beginning of the Civil War, half the state's cotton production of about 115,000 bales passed through Houston. Recognizing its importance, the congress named Houston a port of entry in 1870, established a customs house, and ordered a survey for a deepwater channel to the Gulf of Mexico.

Despite its economic growth, in 1900 Houston still had a population of less than 50,000, and was second to San Antonio as the state's most populated city. The Spindletop oil discovery in 1901 marked the beginning of Houston's transformation from an exporter of agricultural and lumber products to a national petroleum center. By 1903, the black mud of downtown had been replaced with twenty-six miles of pavement and in 1905 the first steel-framed skyscraper was built downtown. Dredging of the Houston Ship Channel was completed in 1914, thereby connecting Houston to the seaways of the world. As a result, cotton and lumber exports from Houston increased greatly and the city experienced rapid economic growth.

Houston's population grew to 292,000 by 1930, a growth which coincided with the advent of the automobile. In the same year Harris County registered 97,902 cars. Ordinances controlling automobiles were passed as early as 1907 and by 1920 the first one-way streets were designated in the city. The year 1929 marked the onset of the Great Depression, however, in Houston, no banks failed during this time and building permits increased – a testament to the fact that the city fared better than many parts of the nation during the Depression. By 1948, Houston ranked as the fastest growing city per capita in the nation.

Houston's economy was boosted during World War II, when the government embarked on a crash program to develop a synthetic rubber industry. This required petroleum feedstocks and good port facilities, thus the Port of Houston was chosen by the government as the primary location for this new petrochemical-based industry. Houston's growth continued into the 1960s and the early 1970s brought even more rapid expansion. The Arab oil embargo in late 1973 produced a fourfold increase in oil prices, which led to a 9.5 % growth in local employment at a time when the nation experienced a 1.5 % decline. The abundance of employment opportunities in the Houston area led to explosive growth; and by 1980, the population had risen to 1,595,138. The metropolitan area population was growing even faster.

As the nation slid into a recession in 1980 and 1981, Houston again seemed immune as local economic growth continued. However, by 1982, oil production rose in Mexico and North Sea, creating an oil glut. Houston's petro-chemical industry was hard hit; and in the mid 1980s, Houston lost population for the first time. Houston recovered, however, by diversifying and becoming less reliant on petroleum/energy based industries. In 1981 energy related industries accounted for 84.3 percent of the City's economic base. By 1989 that percentage had dropped to 61 percent; and in 2002 it was 48.3%. This percentage includes both upstream (32.6%) and downstream (15.7%) energy employment figures published by the Institute for Regional Forecasting at the University of Houston. (Source: Greater Houston Partnership)

Between 1991 and 1999 the price of the oil barrel was about \$17 varying between \$19 in 1991 and \$12.4 in 1998, before it jumped to more than \$28 dollars in 2000. The price of oil helps Houston in two ways: 1) When

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low, it increases production of petrochemicals, plastics and refining, and other productive activities dependent on low oil prices. 2) When high, it increases oil exploration, production and demand for related machinery. All these productive activities have a strong base in Houston.

The Shaping of Houston

Many of the factors which contributed to Houston's early development as a market and industrial center-flat terrain and natural resources-also set the stage for the city's sprawling urban pattern. The flat terrain and absence of natural barriers made possible the construction of numerous rail lines radiating in all directions. The discovery of oil and the dredging of the Houston Ship Channel spurred the eastward spread of industrial uses along the Ship Channel.

As in most cities, Houston's downtown was once the city's only major center of commerce. However, the advent of electric streetcars in the 1890s, the automobile in the early 1900s, and an abundance of vacant land allowed the city to begin its expansion. In 1892, Houston Heights, the area's first planned community, was developed and linked to downtown by streetcar. By the early 1900s, a compact downtown, or central business district (CBD), developed south of Buffalo Bayou along Main Street. At the same time, the city's first affluent residential area grew southwest along Main Street.

Historically, industries in Houston tended to locate along railroad lines. However, the dredging of the Ship Channel in 1914 made Houston's port accessible to deep-water vessels, thereby attracting industrial uses along its banks. This in turn attracted the development of moderate-income neighborhoods to house industry employees. Today, the heaviest concentration of industrial land use in the city, especially those industries associated with the petrochemical industry, remains along the Ship Channel.

From the early 1900s through the 1920s large-scale, self-contained subdivisions such as Magnolia Park (1909), Bellaire (1911), Montrose (1911-12), and West University Place in 1919 began to develop. The largest and most prominent was River Oaks, developed in 1923 and eventually occupying over 1,000 acres. These and other subdivisions at the time were considered suburban, but shortly became a part of the city, except for Bellaire and

West University Place, which incorporated into separate cities. Around the same time as subdivision expansion was taking place, apartments (mostly garage-type), and duplexes began to spring up around the city.

By 1922, Harris County had registered 34,869 automobiles, which offered residents more freedom and easy access out of the city. In response to the rapid increase in automobile ownership, "strip" shopping facilities were built to service the automobile driving public. By 1929, drive-in facilities ranging from eateries and dry cleaners, to drug stores and banks, had become commonplace in the city's outlying district. In fact, writes Peter C. Papademetriou in *Transportation and Urban Development in Houston: 1830-1980*. "Rolling patronage is provided for in Houston as in no other city in the world." He goes on to say, "In Houston, a much greater percentage of people own and drive their own cars than in many other cities the same size...an average of a car to a family." Obviously, the car has been of historical importance in shaping Houston's urban form.

Although Houston was not hurt badly by the Great Depression, the 1930s saw an increased demand for inexpensive housing, which led to the development of small, single-lot houses north of Buffalo Bayou. However, the post-World War II era ushered in economic growth, rising income, and easier financing, which in turn led to a demand for larger lot homes. Suburban development took place in every quadrant of the city, but was concentrated in west and southwest Houston and in large open tract between existing neighborhoods. The suburban expansion of the 1940s, 1950s, and 1960s spurred the new neighborhoods of Oak Forest, South Park, Westbury, Spring Branch, and the planned community of Sharpstown. Expansion was especially great between 1940 and 1958 when 80 square miles of land were subdivided in and around Houston.

Retail uses continued to grow around suburban locations, reducing the CBD's importance as a retail-commercial center. The CBD's share of Houston's retail sales fell from 51 percent in 1948 to 28 % in 1958. Commercial flight to the suburbs began in earnest in 1953 when plans were unveiled for the 60-acre Gulfgate regional shopping center consisting of almost 100 stores with parking for 20,000 automobiles. In the 1960s, construction of Houston's freeway network further opened vast tracts of

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land to development. During the late 1960s and early 1970s, the Galleria and Greenway Plaza were developed—both major commercial/office activity centers. These and other developments led to the decline of the CBD as the premier retail district. However, the CBD retained its strength as a center for banking, finance, and general business.

Industrial use also continued to grow and by the late 1960s, Houston's importance as an industrial center led to the development of planned industrial parks, which were complete with streets, railroad tracks, and utilities installed before the building sites were even sold. By 1969, there were 37 separate industrial parks covering 32,600 acres. Industrial activities also began locating alongside Houston's freeways because of the easy access to transportation. Recently, industrial land uses have been increasingly drawn to areas near both Intercontinental and Hobby Airports.

As single-family residential, commercial and industrial uses expanded between 1950 and 1960, office and multi-family use also grew. Downtown office space doubled between 1950 and 1963; in 1963 ten new buildings were opened, increasing office space by 41 %.

Apartment complexes were built throughout the city, especially west and southwest of the city's central core. The boom of the 1970s produced increased growth in office space, which doubled from 30 million square feet (mostly downtown), to 60 million square feet in 1978 (much in suburban settings). Growth of multi-family residential development continued, especially in Houston. This in turn encouraged expansion of nearby commercial and retail development.

Houston has come far from 147 acres in 1836. It is now the nation's fourth most populous city, behind New York, Los Angeles, and Chicago, and a national center for commerce, industry, and culture. It is a dynamic City known for its entrepreneurial spirit. Today, in addition to 395,200 acres of land, much of which remains to be developed, Houston counts its 1,953,631 citizens as valuable resources.

In the period between 1970 and 1980, the City experienced a growth of 29.3%. Between 1980 & 1990, the growth rate was only 12.3%. On the other hand Harris County experienced a significant growth of 17.0 % and 20.7 %, respectively, during the same periods.

Table I.1.
Historical Population Trend, 1900 – 1980
City of Houston & Harris County

Year	Total Population			
	City of Houston	% Change	Harris County	% Change
1900	44,633		63,768	
1910	78,800	76.60%	115,693	81.40%
1920	138,276	75.50%	186,667	61.30%
1930	292,352	111.40%	359,328	92.50%
1940	384,514	31.50%	528,961	47.20%
1950	596,163	55.00%	806,701	52.50%
1960	938,219	57.40%	1,243,158	54.10%
1970	1,233,505	31.50%	1,741,912	40.10%
1980	1,595,138	29.30%	2,409,547	38.30%

Source: U.S. Census Bureau, 1900-1980